

Financial Fact Sheet

Q4/2011 and Full Year 2011

NASDAQ, TASE: MGIC



About Magic Software

Magic Software Enterprises (NASDAQ, TASE: MGIC) is a global provider of mobile and cloud-enabled application and business integration platforms. With 30 years of experience, our technology gives our partners and customers the power to leverage existing IT resources, enhance business agility, and focus on core business priorities.

Magic Software has millions of successful customer installations worldwide and a global network of ISVs, system integrators, value added distributors and resellers, and consulting and OEM partners. Our technological approach, product roadmap, and corporate strategy are recognized by the leading industry analysts. Magic Software has 14 offices worldwide, a presence in over 50 countries, and partner alliances with global IT leaders including SAP AG, Salesforce.com, IBM, and Oracle.

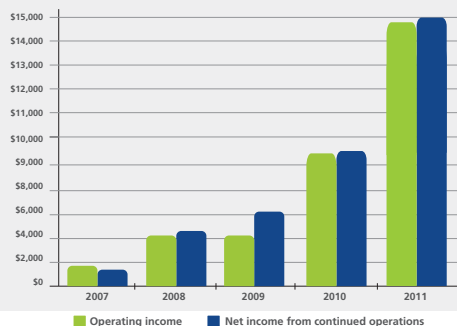
Income Statement Highlights

(US\$, in millions)

	Q4/2011	Q4/2010	%	2011	2010	%
Revenues	30.5	25.0	22%	113.3	88.6	28%
Operating Income	4.2	3.0	40%	14.7	9.3	58%
Net Income	4.4	3.1	42%	15.0	9.4	60%
Non-GAAP Net Income	4.7	3.2	47%	14.8	10.0	48%

Income Highlights

(US\$, in thousands)



Balance Sheet Highlights - Zero Debt

(US\$, in millions)

	31/12/2011
Total Cash*	32.1
Total Assets	133.4
Equity	105.3

*Including cash and cash equivalents, short term bank deposits and short term investments in marketable securities.

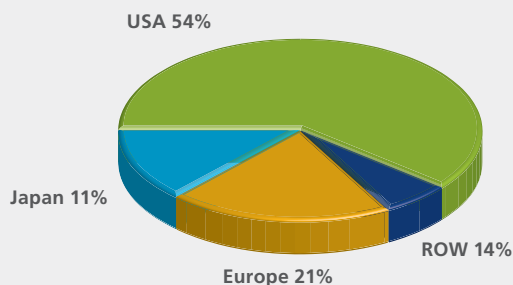
2011 YTD Cash Flow Highlight

(US\$, in millions)

Total Cash 1/1/2011*	46.5
Payment Towards M&A	(25)
Other Non-Operating Activities	-
Net Cash Provided by Operations	10.6
Total Cash 31/12/2011*	32.1

*Including cash and cash equivalents, short-term bank deposits and short-term investments in marketable securities.

Revenues by Geography - 2011



Customers

- adidas Canada
- Adecco
- Allstate Life Insurance
- Anritsu Corporation
- AXA
- Bank of Cyprus UK
- Bank Discount
- Bank Hapoalim
- Bank Leumi
- CBS Outdoor
- CB Medical
- Club Med
- CSC
- Datenlotsen
- Deutsche Bank
- DHL
- Discovery
- FMRP
- Fujitsu-Ten
- Grange Insurance
- Guardian Life Insurance
- Honda Europe
- IDF
- ING Commercial Finance
- Intelys
- Merrill Lynch
- Mitsubishi
- Norfolk and Norwich University
- NHS Trust
- Rosenbauer
- Sheba Medical Center
- Sun Life Insurance
- TOTO
- United Nations
- UPS
- Vandrie Group
- Victorinox
- Vishay Intertechnology
- Vodafone
- Volvo Brazil
- Standard Life
- State of Washington Courts

2011 Highlights

• Strong Financial Performance

- Strong cash position with zero debt and a healthy cash balance of \$32.1 million
- Double-digit overall growth for the ninth consecutive quarter
- Revenues increased 28% year over year to \$113 million
- Net income increased 60% year over year to \$15 million
- Operating cash flow for 2011 totaled \$10.6 million

• Exceptional Product Offering

- Robust environment for developing and deploying enterprise-class applications in a complex business environment
- High scalability and future-proof technology maximize market opportunities
- Continuously expanding and improving product portfolio
- Launched new mobile offering for developing and deploying mobile applications
- Announced major new release of uniPaaS 2.0, our core application platform

• Strong Leadership and Corporate Vision

- Strong and talented management team focused on efficiency and growth
- Corporate culture of openness, ingenuity, and forward-looking determination
- Clear strategic mission
- Close collaboration with customers to enhance and accelerate business performance

• Global Industry Recognition

- 30 years of experience in the software industry
- Millions of successful installations worldwide
- Listed in the NASDAQ Global Select Market, the Tel-Aviv Stock Exchange TA-100, and the 2011 SD Times Top 100 Innovators and Leaders
- Israel-based company with a presence in over 50 countries, including 14 worldwide offices across North America, Europe, Japan, India and South Africa
- Global network of thousands of ISVs, system integrators, and value-added distributors and resellers
- Strategic partnerships with global IT leaders including SAP AG, Salesforce.com, IBM, and Oracle

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Award 2006

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2007 Global Award

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